

UNITED STATES COAST GUARD
AND
SPILL CONTROL ASSOCIATION OF AMERICA
AND
ASSOCIATION OF PETROLEUM INDUSTRY COOPERATIVE MANAGERS
OUTLINE OF QUALITY PARTNERSHIP
FOR
MARINE SAFETY AND ENVIRONMENTAL PROTECTION

Purpose and Objective of the Quality Partnership

1. The purpose of this quality partnership between the United States Coast Guard (USCG), the Spill Control Association of America (SCAA), and the Association of Petroleum Industry Cooperative Managers (APICOM) is to strengthen the communication and working relationship between the Coast Guard and the spill response community. Its objectives are to improve the effectiveness of spill response and to further sound risk management among/between private and governmental organizations. These objectives have been identified as strategic goals within the Coast Guard's "M" Business Plan and Performance Plan under the Government Performance and Results Act (GPRA), and within SCAA's and APICOM's charters.

Outline of the Quality Partnership

2. The quality partnership covered by this agreement is to establish a program of cooperative, informal, structured processes that will address issues of marine safety and environmental protection. These processes are not intended to subvert the legitimate role for government regulation in establishing minimum standards necessary to ensure the safety of U.S. waters, response vessels and crews; nor are they intended to supplant the important role that has been and continues to be played by existing federal advisory committees to the Coast Guard (including the Towing Safety Advisory Committee, Chemical Transportation Advisory Committee, etc.). Rather, they are intended to complement these other legitimate government and industry functions by providing a flexible mechanism for joint Coast Guard-industry action in a results-oriented, non-regulatory environment.

Details of the Quality Partnership

3. The USCG, SCAA, and APICOM agree to establish a quality partnership to further mutual goals of improved marine environmental protection through enhanced operational spill response effectiveness and sound risk management by private and governmental organizations. This quality partnership involves creating a Partnership Action Team (PAT) comprised of USCG, SCAA, and APICOM representatives to review and act on Opportunities for Improvement

(OFIs) received from members of the spill response community, SCAA, APICOM, and USCG personnel. The PAT will identify those OFIs that are candidates for cooperative Coast Guard-SCAA-APICOM attention and then establish OFI Work Groups (OWGs) to identify ways of correcting the problem or improve the process identified in the OFI.

4. OWGs will operate under the guidance of the PAT and conduct their work using a quality process to analyze the issues involved and recommend improvements to operational spill response effectiveness and sound risk management including, as a minimum, the following steps:
 - a. Define the scope of the issue or process improvement needed (i.e., determine the baseline), utilizing statistical data, case studies, and other relevant information as available;
 - b. Analyze the data and identify root causes of the problem;
 - c. Identify solutions to the problem or improvements to the process based on analysis of available data/evidence;
 - d. Identify the measures by which the success of proposed solutions will be evaluated and check the validity of the proposed solutions by measuring initial results;
 - e. Refine proposed solutions as necessary; and,
 - f. Develop an implementation plan, including identification of the target audience for the improvement, for submittal back to the PAT.
5. The PAT will review the work of the OWGs to ensure that all necessary quality steps have taken place, that proposed solutions and quality improvements are supported by the underlying analysis, and that the proposed implementation plan is complete and understandable. Having validated the OWGs work, the PAT will endorse the results and communicate proposed improvements to the target audience.

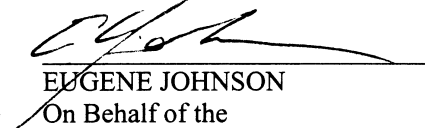
Action

6. To institutionalize the quality partnership described herein, the USCG, SCAA, and APICOM agree to undertake the following actions:
 - a. The USCG, SCAA, and APICOM will promote this quality Partnership within their organizations via appropriate channels;
 - b. The USCG, SCAA, and APICOM will establish a Partnership Action Team by August 1, 1998;
 - c. The PAT will establish OWG as required to address OFIs and issues identified during meetings of the PAT;

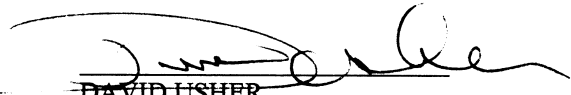
- d. The experience and results of the PAT and OWGs relative to the objectives of this partnership will be evaluated by the PAT one year from the execution of this agreement. Based on this evaluation, the PAT will recommend to the USCG, SCAA, and APICOM whether to continue and/or expand the partnership; and,
- e. If a favorable recommendation is received to continue and/or expand the quality partnership, the USCG, SCAA, and APICOM will expand the above-described processes as appropriate.

Institution of the Quality Partnership

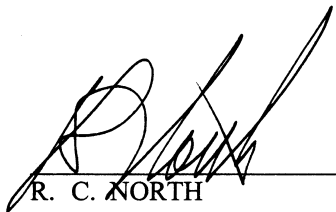
- 7. This Outline of Quality Partnership is effective upon signature of this agreement by the USCG, SCAA, and APICOM. It is informal in nature and may be modified by mutual agreement or terminated by either party at any time. The parties pledge to act in good faith at all times and to use their best efforts to accomplish the goals, objectives, and actions summarized herein.


EUGENE JOHNSON
On Behalf of the
Association of Petroleum
Industry Cooperative Managers

7/16/98
DATE


DAVID USHER
President
Spill Control Association of America

7-16-98
DATE


R. C. NORTH
Rear Admiral, U.S. Coast Guard
Assistant Commandant for Marine
Safety and Environmental Protection

7/20/98
DATE